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August - October, 1996

NEWSLETTER

97-001

Public Employee Training

The State Ethics Commission's mandate is to restore public trust in government through teaching about and enforcing the Ethics Reform Act of 1991. The ethical behavior of public employees, public officials, and public members is an important segment of the Act.

If you are a public employee, public officer, or public member and are interested in attending a training session offered by the Commission on the rules of conduct and financial disclosure filing requirements, you can register to attend one of our classes to be held on November 12 and December 21, from 9:00am to 12 noon. Space is limited so you need to call Hannah King at the commission to sign up soon.

Lobbyist Training

Training sessions for lobbyists and lobbyist's principals or prospective lobbyists and lobbyist's principals will be held on November 26, December 16, and January 7 at 10:00am. These sessions will include registration requirements and procedures, disclosure procedures and deadlines, and prohibitions and restrictions of the Ethics Reform Act.

Please call Hannah King if you are interested in attending any of these sessions.

Annual Report

Copies of the State Ethics Commission's Annual Report will be available in early November. The report is in the final drafting stages. Copies are free, but limited. Please contact the Commission to reserve your copy.

Holidays

The Commission will be observing the following State holidays for the remainder of 1996:

Nov. 5 Election Day

Nov. 11 Veteran's Day

Nov. 28-29 Thanksgiving Day

Dec. 25-26 Christmas Day &
day after

Commission Meeting Set

The next Commission meeting will be held November 20 at 9:30 a.m. Any requests for opinions should reach the Commission office by October 31. This will be the last time the commissioners meet in the 1996 calendar year.

Public Relations Contracts

The FY97 Appropriations Act contains a provision which calls for State agencies or other agencies receiving an appropriation to file a report with the State Ethics Commission by June 30, 1997 listing all contracts for public relations, communications, and legislative strategy services.

The Commission is developing the report format and instructions. Further information will be provided in future newsletters and direct mailings to appropriate agencies.

Lobbyists and lobbyist's principals may begin registering for the 1997 Legislative session on December 16. No registration forms for 1997 will be accepted before that date. All reregistrations are due by January 6. New registrations for lobbyists must be made within fifteen days after being hired or retained as a lobbyist. Lobbyist's principals must register within fifteen days after retaining or hiring a lobbyist.

Lobbyist/Lobbyist's Principal Manuals are available free of charge. If you would like to have a manual, please contact the Commission office.

Lobbyist and Lobbyist's Principal Lists

Copies of the lobbyist, lobbyist's principal, and lobbyist's principal contact lists are available at a small charge of \$2.00 per list. The lists are updated monthly and sent to Legislative Printing where they are put onto the State web page. You may purchase a copy of the list(s) at any time and are current as of the day the list is printed.

Contact Hannah King at the Commission for copies.

State Ethics Commission's Home Page

The State Ethics Commission is in the process of designing and putting on-line a home page. We will advise you in the very near future of our address. Information which will be available on the World Wide Web will include formal opinions, meeting notices, direct contacts for problem resolution, this newsletter and other related information within the Commission's jurisdiction.

Entity Listings Update

In November, a list of all current filers of the Statement of Economic Interests Form will be mailed to each entity. This list includes the name, address, and position of each filer from whom the Commission expects to receive a Statement of Economic Interests Form prior to April 15, 1997.

Each entity is asked to review the list, make any changes, and return to the Commission office by December 10, 1996. It is important that this list is returned by December 10 so we can update any changes in our computer. Statements of Economic Interests Forms will be mailed to all filers appearing on those lists in early January 1997 for the April 15, 1997, filing deadline.

SEC AO97-002

September 18, 1996

SCHOOL DISTRICT EMPLOYEES PARTICIPATION IN PURCHASING AGREEMENT WITH VENDORS

School District may implement and School District employees may participate in District sponsored agreement with vendor for private purchase of computer equipment.

Election Reminders

All actively registered lobbyists are reminded that they are prohibited from contributing or soliciting funds to candidates for the General Assembly.

Local candidates are reminded of their Campaign Disclosure Form filings. Please be prompt in filing all forms.

Candidates are reminded they may not accept more than \$1,000 from a contributor per election cycle. Statewide candidates may not accept more than \$3,500 from a contributor per election cycle.

Complaints Resolved

On September 23, 1996, the State Ethics Commission entered into a Consent Order as a result of a complaint filed against Dorchester County School District II Superintendent Charles Lindsey. The complaint, filed September 5, 1995 by John L. Horn and W. A. Whatley, both of Summerville, S.C., alleged that Superintendent Lindsey violated the Ethics Reform Act in publishing and distributing information in newsletters to influence a September 26, 1995 bond referendum. In two School District newsletters distributed in July and September, 1995, the commentary encouraged individuals to vote for the referendum.

Superintendent Lindsey acknowledged the provisions of the Ethics Reform Act which permits the preparation of informational materials but prohibits communications intended to influence the outcome of a ballot measure. The State Ethics Commission cautioned Superintendent Lindsey to exercise due care and caution in refraining from the use of public resources to influence the outcome of a ballot measure.

In a Consent Order entered into on September 23, 1996, the State Ethics Commission fined Greenville attorney Oliver Warren Mowry \$200 for failing to properly report expenses on his January 1995 and May 1995 Campaign Disclosure Forms. Mr. Mowry was a candidate for Thirteenth Circuit Solicitor in the November 8, 1994 General Election, and improperly failed to disclose \$10,653.93 in expenses paid to Creative Communications of Greenville. A complaint was filed by the State Ethics Commission on March 4, 1996 as a result of information provided by a citizen. Mr. Mowry acknowledged that he unintentionally violated the Ethics Reform Act by not properly disclosing expenditures, and by paying expenses with checks not drawn on his campaign account. In addition to the fine, Mr. Mowry was cautioned to recognize the requirements of the State Ethics Reform Act.

The State Ethics Commission publicly reprimanded Williamsburg County Council candidate Stanley S. Pasley for failing to file timely Campaign Disclosure Forms. In a Consent Order entered into on September 23, 1996, Mr. Pasley admitted that he violated the Ethics Reform Act by failing to file Campaign Disclosure Forms between June 1994 and July 1996. In addition to the reprimand, Mr. Pasley paid \$600 in late filing penalties. A complaint was filed by the State Ethics Commission on June 3, 1996 as a result of Mr. Pasley's failure to comply with Commission requests.

On September 25, 1996 the State Ethics Commission entered into a Consent Order in which Richter P. Morsch, former Chairman of the Dorchester County Election Commission, was found to have violated the Ethics Reform Act. On July 12, 1994, Mr. Morsch made a motion and participated in an official vote to employ his wife as clerk to the Election Commission. As a result of a complaint filed May 3, 1995 by Angie P. Crum of Ridgeville, S.C., Mr. Morsch was charged with three counts of violating the Ethics Reform Act to include, (1) Use of Official Office for Personal Financial Gain, (2) Failure to Abstain from Participating in an Official Action in Which He Had an Economic Interest, and (3) Causing the Employment of A Family Member.

The charge of Use of Official Office for Personal Financial Gain was dismissed. On the other two charges, Mr. Morsch was Publicly Reprimanded by the State Ethics Commission and ordered to pay a fine of \$104.34, which represented ten percent of his wife's earnings as clerk to the Election Commission.

60 Shopping Days 'til Christmas!!
Kelly Golden, Legal Counsel

It's that time of year again. The phones are ringing like sleigh bells and we're counting your questions about giving and receiving gifts. Here's how we judge if you've been naughty or nice this Christmas.

Is the gift printed informational or promotional materials of less than \$10 in value; an item of nominal value (less than \$10) containing or displaying promotional material; a personalized plaque or trophy worth less than \$150; educational material of a nominal value directly related to your official responsibility; an honorary degree from a public or private college or university; or promotional or marketing items also offered to the general public? If any of these apply, accept the gift and be thankful. But, when the gift is something other than the items described above, ask yourself the following questions to decide if you should accept.

Is the gift from a lobbyist? If so and you are an employee or official of a State agency, politely refuse the gift. Call us to find out who is a registered lobbyist.

Is the gift from a lobbyist's principal? If you accept it, you must report the receipt of the gift on your annual Statement of Economic Interests Form. Does that worry you? It should worry you if the principal does business with your agency, your agency regulates the principal, or if the principal lobbies your agency. Politely decline the gift.

Is the gift from someone other than a lobbyist or lobbyist's principal, is it worth more than \$25, and is it given to you because of your public position? Is the gift giver seeking or presently has a contract with or attempting to obtain other business with you? Is the gift giver regulated by your agency? If yes, then you must report the receipt of the gift on your Statement of Economic Interests Form. If the gift is given to influence your actions, your receipt of the gift as well as the offer of the gift would violate the Ethics Reform Act. Thus, if you are in a position to take action on matters affecting the person seeking the contract or regulating the gift giver, you should politely refuse the gift. As in the case of a gift from a lobbyist's principal, the propriety of the gift will be judged by the Court of Public Scrutiny.

What would you do...?

Ok, ok, it's still 2 months until Christmas, but we figured since the retail stores were already in the Christmas spirit, why shouldn't we? The following is an example which will be faced (I guarantee it!) by a public employee, public official, or public member regarding the acceptance of gifts. I have given one situation, but have asked different questions about the situation. Good luck!

Q. A few days before Christmas, a sales vendor, who is seeking to do business with your agency, offers you, the agency procurement officer, a complimentary pair of passes to see the "Nutcracker" ballet. Attached to the tickets is a note thanking you for your hard work. 1.) Can you accept the gifts? 2.) Can you accept the passes if you are a lobbyist and a legislator gives you the tickets?



State Ethics Commission

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A. 1.) If you answered "No" to part one, good for you! Section 8-13-705 of the Ethics Reform Act prohibits a public official, public employee or public member from receiving anything of value in a possible attempt to influence the discharge of the public official's, public employee's or public members official responsibilities. You should decline gifts given or offered by persons who do business with your agency if you are in a position to take action on their business activities or if they are regulated by your agency. When you accepted the position within your agency, you accepted the compensation that accompanies it. The vendor could have sent a simple thank you note for your hard work.

2.) If you answered "Yes" to this one, you're on a roll! Section 2-17-80 of the Ethics Reform Act prohibits a lobbyist from offering anything of value to a member of the General Assembly, any constitutional officer, or any public official of any state agency who engaged in covered agency action or any of their employees, not the other way around.

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